

RALEIGH-DURHAM AIRPORT AUTHORITY

MINUTES

March 18, 2004

Chairman Clancy presided. Present: members Sanders; Toler; Weeks; Winston and Zaytoun. Absent: members Gibbs and Teer. Also present: Airport Director Brantley; Deputy Director, Operations McElvaney; Deputy Director, Finance, Business & Administration Gill; Deputy Director, Facilities Engineering & Maintenance Pittman; Major Capital Improvements Program Director Powell; Customer Service & Organizational Support Director Damiano; Parking Director Scialdone; Finance Director Barritt; Administration Director Umphrey; Senior Program Manager Edmondson; Senior Program Manager Quesenberry; Communications Manager Hamlin; Business Development Officer Hairston; Information Technology Manager Schiller; Maintenance Manager Fulp; Network Administrator King; Information Technology Specialist Casanova; Program Manager Cayton; Customer Relations Supervisor Harleston; Law Enforcement Manager Waters; Assistant Law Enforcement Manager Tippet; GIS Manager Dana; Facilities Engineering Manager Jewett; Emergency Services Manager Thompson; Purchasing Officer Thompson; Purchasing Assistant Breen; Noise Officer Tovar; Environmental Manager Fischer; Employee Development Supervisor Bell; Ground Transportation Manager Nye; Visitor Services Supervisor Creech; Volunteer Coordinator Watson; Executive Assistant Mitchell and Attorney Tatum.

Guests: Charles McCloskey, Rick Panos and Satish Mohe, Parsons Group; Curt Fentress & Thom Walsh, Fentress Bradburn Architects; Cedric Nelson, CTN Service Agency; Debbie Benkhe, American Airlines, and Chris Baysden, Triangle Business Journal.

APPROVAL OF AGENDA – There were no changes to the agenda, and it was approved as submitted.

APPROVAL OF MINUTES – There were no changes to the minutes of the February 19, 2004 meeting, and they were approved as submitted.

CHAIRMAN'S COMMENTS – Chairman Clancy had no comments at this time.

LAND & DEVELOPMENT COMMITTEE REPORT – Chairman Clancy reported the Committee met on March 18, 2004 and discussed the following items:

1. Consideration of a Change Order with McNally Tunneling Corporation for Westside Stormwater Management Facilities, RDU #070378, a subproject of Taxiway D Relocation & Terminal C Apron Expansion, RDU #070379. Program Manager Cayton reviewed proposed Change Order No. 9 with McNally Tunneling Corporation. This change order adds work to the contract associated with differing site conditions. The contract documents contemplated competent rock throughout the length of the tunnel with the possibility of occasional formations within the tunnel alignment of hard igneous material, formally termed as geologic dikes. However, the expected length, direction and thickness of adjacent weathered zones adjacent to the geologic dikes were greater than characterized in the contract documents and resulted in additional work not contemplated in the contract documents. This change order is for an amount of \$163,221 and will increase the contract amount from \$5,100,961.01 to \$5,264,182.01. This

change order also will extend the contract time by 30 days resulting in a new contract completion date of April 24, 2004. The Committee recommended approval of the change order.

Member Clancy made a motion, seconded by member Weeks, to approve Change Order Number 9 with McNally Tunneling Corporation in the amount of \$163,221. Adopted.

2. Consideration of an Encroachment Agreement with the North Carolina Department of Transportation for installation of Guardrail on Aviation Parkway. Senior Program Manager Quesenberry reported on a proposed Encroachment Agreement with the NCDOT for installation of guardrail on Aviation Parkway. The Agreement will allow the Authority to install approximately 5,000 linear feet of guardrail in the median of Aviation Parkway beginning at the Aviation Parkway/Airport Boulevard/Terminal Boulevard interchange and ending at the Aviation Parkway/I-540 interchange. This work, which has an estimated cost of \$55,000, is included in the budget of Project #070105. The primary purpose of the guardrail is to prevent motorists from making U-turns in the Aviation Parkway median. The Committee recommended approval of the Encroachment Agreement with the NCDOT.

Member Clancy made a motion, seconded by member Winston, to approve the Encroachment Agreement with the North Carolina Department of Transportation for installation of guardrail on Aviation Parkway. Adopted.

FY 2004-05 BUDGETS – Airport Director Brantley advised that the proposed Fiscal Year 2004-05 Operating and Capital Budgets, Budget Ordinance and Project Ordinances Nos. 1, 2 and 3 were presented in the budget work session on March 15, 2004. No further comments were received. Adoption of the documents was requested.

Member Zaytoun made a motion, seconded by member Weeks, to adopt the Fiscal Year 2004-05 Operating and Capital Budgets, Budget Ordinance and Project Ordinances Nos. 1, 2 and 3. Adopted.

AIRCRAFT ENGINE RUNUP POLICY – Noise Officer Tovar reported on a proposed temporary change in the location of airline aircraft engine runups that is necessitated by the Taxiway D Relocation and Terminal C Apron Expansion project. The Authority adopted an Aircraft Engine Runups Policy and Regulations on August 4, 1987 to permit engine runups on the holding pad of Taxiway A at the southwest end of Runway 5R-23L. Runups between midnight and six o'clock in the morning were banned to minimize community noise impacts. The Authority amended the Policy and Regulations on September 20, 1988 to change the permitted location of engine runups to Taxiways G and H. The Authority adopted an Exception to the Amended Policy and Regulations on April 18, 2002 to permit operators of regional jets to conduct engine runups between midnight and six o'clock in the morning at Taxiways G and H and also at Spot 1 on the Terminal C Ramp. No noise problems have occurred as a result of regional jet engine runups. Recently, American Eagle requested that the Authority designate another location for regional jet runups since Spot 1 is no longer usable for engine runups. Spot 1 is too close to the construction barrier and is temporarily located in the aircraft movement area. Also, Taxiways G and H are sometimes utilized for overnight parking of airline aircraft, thus preventing regional jet engine runups at that site. Staff recommended changing the permitted location of regional jet engine runups on the Terminal C Ramp from Spot 1 to Spot 3.

Member Zaytoun made a motion, seconded by member Weeks, to approve the requested change to the Exception to the Amended Aircraft Engine Runups Policy and Regulations. Adopted.

USO OF NORTH CAROLINA, INC. LEASE AGREEMENT – Business Development Officer Hairston reported on the proposed Lease Agreement between the Authority and USO of North Carolina, Inc. The lease is for approximately 1,550 square feet of space located on the second floor of Terminal A and consisting of one office, a reception area and a lounge. The space will be used for operation of a USO center to support all United States military personnel traveling through RDU. The term is from the Date of Beneficial Occupancy, which shall be no later than July 1, 2004, through December 31, 2013. The Authority, at its sole discretion, may terminate the lease should the USO fail to occupy and operate the premises by the DBO. The base rent is \$1.00 per year. The Authority will renovate the assigned space to the configuration to be used by the USO. The center will include an office, storage and reception area, lounge, kitchen, and dining/children's play area. Staff recommended approval of the Lease Agreement.

Member Winston made a motion, seconded by member Weeks, to approve the Lease Agreement with USO of North Carolina, Inc. for space to operate a USO center for U.S. military personnel. Adopted.

CTN SERVICE AGENCY CONCESSION LEASE AMENDMENT – Business Development Officer Hairston reported on proposed Amendment No. 1 to the Concession Lease Agreement of March 20, 2003 between the Authority and CTN Service Agency. The Amendment incorporates the addition of approximately 30 square feet of space across from Gate A22 for a third shoeshine stand on the Terminal A concourse. The term is from April 1, 2004 through March 31, 2008. The base rent increases to \$536.00 per month on April 1, 2004. The percentage rent is 10% of gross revenues. The DBE participation is 100%. The concessionaire currently operates the shoeshine concession in Terminal A and recently has remodeled the main stand and implemented new uniforms for its employees. Staff recommended approval of Amendment No. 1 to the Concession Lease Agreement.

Member Weeks made a motion, seconded by member Toler, to approve Amendment No. 1 to the Concession Lease Agreement dated March 20, 2003 with CTN Service Agency. Adopted.

TERMINAL C PROJECT UPDATE - Curt Fentress of Fentress Bradburn Architects presented a PowerPoint presentation in which he reviewed the progress made in schematic design toward development of the architectural vision for the project. A three-dimensional model representing the architectural vision was unveiled. Staff and the project team will provide a further update at the July 15, 2004 meeting.

The Authority received the update, and no further action was required.

MEMBERS COMMENTS/REPORT – Member Weeks said he was very pleased with the terminal vision and the steps on the project taken thus far. Member Winston agreed with member Weeks, and added that the vision is excellent and the concept will set the standards for which the Airport will be judged in the future. Member Toler remarked that the Triangle is a world-class region, its citizens deserve to be served by a world-class airport, and the Authority is headed in that direction. Member Sanders agreed that the new terminal would become a fine gateway to the Raleigh-Durham area.

GENERAL COUNSEL'S REPORT – Attorney Tatum had no comments at this time.

AIRPORT DIRECTOR'S REPORT –

- It was reported at last month's meeting that several monthly airline passenger activity reports had not been received, making December's and January's data incomplete. All outstanding reports have now been received and the year-end 2003 and January 2004 figures completed. The final figures for 2003 increased to 3,966,539 enplanements and 3,942,608 deplanements. In January, the final figures were 268,086 enplanements and 278,170 deplanements. There was a positive growth in January passenger enplanements of 0.6%.
- Enplaned passengers for February 2004 totaled 286,442 versus 276,774 for February 2003 for a 3.5% increase. Year-to-date 2004 passengers enplanements totaled 554,528 versus 543,227 for year-to-date 2003 for a 2.1% increase.
- Deplaned passengers for February 2004 totaled 284,962 versus 277,127 for February 2003 for a 2.8% increase. Year-to-date 2004 passengers deplanements totaled 563,134 versus 558,479 for year-to-date 2003 for a 0.8% increase.
- Enplaned air cargo for February 2004 totaled 7,870,298 pounds versus 7,111,270 pounds for February 2003 for a 10.7% increase. Year-to-date 2004 enplaned air cargo totaled 15,666,297 pounds versus 14,850,427 pounds for year-to-date 2003 for a 5.5% increase.
- Deplaned air cargo for February 2004 totaled 10,035,994 pounds versus 9,438,903 pounds for February 2003 for a 6.3% increase. Year-to-date 2004 deplaned air cargo totaled 19,832,140 pounds versus 19,232,312 pounds for year-to-date 2003 for a 3.1% increase.
- Weekday scheduled flight departures for February 2004 totaled 233 versus 205 for February 2003 for a 13.7% increase.
- Aircraft operations for February 2004 totaled 18,149 versus 15,761 for February 2003 for a 15.2% increase. Year-to-date 2004 aircraft operations totaled 36,190 versus 33,762 for year-to-date 2003 for a 7.2% increase.
- The number of vehicles exiting the terminal area public parking lots during February 2004 totaled 130,780 versus 122,399 for February 2003 for a 6.8% increase. The year-to-date 2004 number of vehicles exiting the terminal area public parking lots totaled 268,347 versus 264,480 for year-to-date 2003 for a 1.5% increase.
- The number of taxicab trips taken during February 2004 totaled 13,017 versus 10,938 during February 2003 for a 19.0% increase. The year-to-date 2004 number of taxicab trips taken totaled 26,815 versus 20,647 for year-to-date 2003 for a 29.9% increase.
- Airline load factors for February were fairly good with the exception of America West, which had an excellent load factor of 85%. January and February are historically slow travel months for RDU.
- On February 27, 2004, Truman W. Miller passed away in Lakeland, Florida, at the age of 94. Mr. Miller was the third airport manager at RDU from 1948 to 1951. Mr. Miller was the proprietor of Serve-Air, Inc., the first fixed base operation at the Raleigh Municipal Airport. Mr. Miller is known for his role in selecting the site of the Raleigh-Durham Airport.

- J.W. “Willie” York, past chairman and longtime member of the Authority, passed away on March 2, 2004. Among other things, Mr. York was responsible for the blue color of Terminal A.
- In June a test initiated of the Registered Traveler Program by the TSA will be initiated at several airports around the country. Travelers registered in the program would not be subjected to additional screening by TSA unless they set off the metal detector.
- The House Aviation Subcommittee met this week at Washington Reagan National Airport and demanded that the airport be reopened to general aviation. Since September 11, 2001, general aviation aircraft have not been able to use the airport. A Risk Mitigation Plan will be prepared and the Department of Homeland Security will brief the Committee on it within the next couple of weeks.

ADJOURNMENT - There being no further business, Chairman Clancy adjourned the meeting.

Respectfully submitted,

Stephen K. Zaytoun, Secretary

CORRECT ATTEST:

David T. Clancy, Chairman